

Before the
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Fairfield Post Office
Fairfield, Kentucky

Docket No. A2012-23

PUBLIC REPRESENTATIVE COMMENTS
(December 30, 2011)

Petitioner claims the Postal Service failed to properly consider three statutory factors when it decided to close the Fairfield, Kentucky post office (Fairfield post office): the effect on the community; the effect on postal services, and the economic savings. The Postal Service asserts that it followed all procedures and considered all factors required by law.¹ After careful review of the Postal Service's Final Determination, the materials in the Administrative Record, the arguments presented by Petitioner, and the Postal Service Comments, the Public Representative concludes that the Postal Service has followed applicable procedures, that the decision to close the Fairfield post office in neither arbitrary nor capricious, and that the Postal Service's decision is supported by substantial evidence. For the reasons set forth below, the Public Representative concludes the decision of the Postal Service to close the Fairfield post office should be affirmed.

On October 20, 2011, the Commission received an appeal from Mayor William T. Trent (Petitioner) objecting to the closing of the Fairfield, KY Post Office.² On October

¹ Postal Service Comments at 1-2.

² Petition for Review and Application for Suspension of Determination Received from Mayor William Trent Regarding the Fairfield, KY Post Office 40020, October 20, 2011 (Petition).

26, 2011, the Commission issued Order No. 927, accepting the appeal, directing the Postal Service to file the administrative record by November 4, 2011, establishing a procedural schedule, and naming the undersigned Public Representative.³ On November 2, and November 17, 2011, the Postal Service filed the Administrative Record and an Errata, respectively.⁴ On November 21, Petitioner filed a statement.⁵ On December 16, 2011, the Postal Service filed Comments in lieu of a brief.⁶ The Postal Service will continue to provide retail and delivery service to Fairfield via rural carrier administered by Bloomfield post office. FD at 1; Postal Service Comments at 3.

Effect on Community: Petitioner claims that the Postal Service failed to consider the negative impact of the Fairfield post office's closure on the Fairfield community, specifically its identity and the hardships imposed on Fairfield customers and businesses. Petition at 5 and 7. A review of the record shows that the Postal Service did consider the closure's effect on the community and specifically addressed the Petitioner's issues of concern.

The Postal Service has considered the issue of the Fairfield community identity and sought ways to preserve it. The Postal Service informed Fairfield customers, a total of 93 post office box users, there will be no need for them to change their addresses should they choose to retain a post office box in the Fairfield post office location. Postal Service Comments at 12. However, "in the event that at a future time, post office box customers choose to change to have their mail delivered by carrier, the mail will be

³ Order No. 927, Notice and Order Accepting Appeal and Establishing Procedural Schedule, October 26, 2011.

⁴ United States Postal Service Notice of Filing Administrative Record, November 2, 2011; United States Postal Service Notice of Filing Administrative Record, Errata, November 17, 2011 (AR Errata). The AR Errata includes, as Item No. 47, the Final Determination to Close the Fairfield, KY Post Office and Extend Service by Rural Route Service (FD).

⁵ Participant Statement Received from William T. (Tom) Trent, November 21, 2011 (Participant Statement).

⁶ United States Postal Service Comments Regarding Appeal, December 16, 2011 (Postal Service Comments).

forwarded in accordance with postal regulations.” *Id.* Postal Service Comments at 12. The Postal Service stated it will allow Fairfield customers who wish to retain their present PO Box service to do so at the Fairfield Post Office location until such date that the property is sold or leased. AR Errata Item No. 28 at 4; *see*, FD at 5, Concern No. 22. Once the property is sold or leased the Postal Service plans to attempt to lease back the lobby space and PO Box working area and continue offering PO Box service at the location. *Id.* If there is no option of leasing back the lobby space, the Postal Service will “seek the installation of Centralized PO Box units. Customers will be able to retain their PO Box address and the Fairfield, KY 40020 last line address.” AR Errata Item No. 28 at 4. While current Fairfield box customers may retain their Fairfield PO Box address, others have the opportunity to erect a rural mail box and receive free delivery near their homes or businesses, will be required to use their 911 address.⁷ AR Errata Item No. 28 at 2; FD at 3, Concern No. 7. The Postal Service has considered the effect of the closure on the community, provided community sensitive options, and communicated those options to the Fairfield community in its questionnaires response letters, at the community meeting, and response letters during the Proposal posting period. AR Errata item No. 22; *Id.*, Item No. 23 at 1-4; *Id.*, Item No. 40 at 1-3; *Id.*, Item No. 41 at 2-9; FD at 2-9.

There is no evidence of the Fairfield post office’s closure imposing hardship on Fairfield residents or businesses. The Fairfield community is primarily composed of farmers, retirees, and commuters who already travel outside of Fairfield for regular services and supplies, and in some cases, postal services. AR Errata Item No 16 at 1; *Id.* Item No. 22. The same services provided at the Bloomfield post office will be available from the carrier. AR Errata, Item No. 41 at 3. For this reason, carrier service is beneficial to the elderly and those who find it difficult to access mail by travelling to

⁷ The Postal Service explained that it does not establish 911 addresses, these “are generally issued by the county.” Postal Service Comments at 8; AR Errata Item No. 25, at 1.

and from a post office. *Id.* In addition, special provisions may be made for hardship cases or customers with special needs. *Id.*

While local businesses may not support the closure of the Fairfield post office, the information provided to the Postal Service through the Fairfield customer questionnaires indicates that the majority of Fairfield customers who currently patronize local businesses will continue to do so, regardless of whether the Fairfield post office is discontinued. AR Errata, Item No. 22; Postal Service Comments at 12. Conversely, given the short distance of 4 miles to the Bloomfield post office, there is no evidence that the closure of Fairfield will adversely affect the migration of new businesses to Fairfield, Kentucky. See FD at 9, Concern 6-7.

Effect on Postal Services: Petitioner claims the discontinuance of the Fairfield post office will result in a decline in postal service, accessibility to those services, and the mail security. Petition at 3. The record shows the Postal Service will be able to provide effective and proper postal service to Fairfield customers once the Fairfield post office is closed. The Fairfield customers' retail and delivery service will fall under the administrative responsibility of the Bloomfield post office, an EAS 16 level office with 91 available post office boxes, located approximately 4 miles away. FD at 2; AR Errata Item No. 41 at 2. While Bloomfield will be the administrative office, Fairfield customers will receive delivery from routes emanating from Bloomfield, Taylorsville, or the Cox's Creek rural routes, depending on the location of the Fairfield business or residence. AR Errata item No. 21; *Id.* Item No. 41 at 5, Concern No. 21; Postal Service Comments at 3. In order to receive delivery service, Fairfield customers will have to erect a rural mail box near their homes or businesses.

The closure of Fairfield post office appears to have increased the range of postal services offered to the Fairfield community. As previously stated, Fairfield customers will maintain the option of receiving box service at either the same location (should the Postal Service lease back space in the existing Fairfield post office location) or alternatively, via nearby, free-standing, locked CBUs, at no cost. Postal Service

Comments at 3. Now, in addition to box service, Fairfield customers may opt for delivery services via rural route carrier. FD at 9. Carrier service will provide delivery and retail services to roadside mailboxes, thus alleviating the need for customers to make a special trip to the post office for service. FD at 3, Concern No. 4 and 5; Postal Service Comments at 9. The Postal Service reiterated that Fairfield will not lose access to postal services because the same services provided at the Bloomfield post office will be available from the rural route carrier. AR Errata, Item No. 41 at 3. The Postal Service also addressed Petitioner's concern regarding mail pick-up times, noting that mail would be picked up from the collection box at 4:00 p.m., daily. Participant Statement at 3; FD at 6, Concern No. 26; AR Errata Item No. 41, Concern No. 26.

The Petitioner, and customers in their questionnaires, expressed security concerns regarding delivery by a rural carrier and the notion that free-standing individually locked centralized cluster box units (CBUs) are insecure and vulnerable to theft and vandalism. Petition at 5; see AR Errata Item No. 22. The Postal Service informed Fairfield customers they may lock their mailboxes, so long as the mailbox has a slot large enough to accommodate the customer's normal daily mail volume. AR Errata Item No. 41 at 3, Concern No. 9.⁸ The Postal Service tried to alleviate Fairfield customers' concerns that CBUs may be damaged by snowplows or vandalized, by advising customers contact Bloomfield and Cox's Creek postmasters, directly, as they are the postal officials charged with determining the precise CBU locations and installation methods. AR Errata Item No. 41 at 4, Concern No. 14.

The Postal Service has considered postal services and determined that maintaining post office box service and establishing a rural route carrier service would be cost effective and enable it to continue providing regular and effective service to the Fairfield community. FD at 2; Postal Service Comments at 13.

⁸ While the Nelson County Sheriff's Office shows there is no record of mail theft or vandalism in the Fairfield community from January 1, 2010 through March 3, 2011, it is important to note that the Fairfield post office serviced 93 boxes within the postal facility's walls and did not provide delivery service to free standing receptacles. AR Errata Item No. 14 at 2; *Id.* Item No. 15 at 1.

Economic Savings: The Postal Service estimates it will save \$39,443, annually, through the closure of the Fairfield post office. Petitioner argues the Postal Service's estimated economic savings are inaccurate and do not support the closure of the Fairfield post office. The Public Representative agrees that the total savings are inflated, yet finds that a more accurate calculation still provides sufficient economic savings to support the Fairfield post office closure.

A decline in workload is one of the reasons the Postal Service cites for its decision to close the Fairfield post office. Petitioner contends that the Postal Service reduced the Fairfield post office's hours of operation and that the reduction, in turn, resulted in less revenue. Petition at 6. The Fairfield post office is open Monday through Friday, 10:00 a.m. to 2:00 p.m., and 8:00 a.m. to 11:45 a.m., Saturdays; with lobby hours are from 8:30 a.m. to 4:00 p.m., Monday through Saturday. FD at 2. Despite this, the Fairfield retail window averaged 19 transactions, daily, accounting for only 17 minutes of retail workload. *Id.* In addition, office revenues have steadily declined over the past three years: \$19,142 FY 2008; \$18,950 FY 2009; and \$17,606 FY 2010. AR Errata item No. 18 at 1. The Postal Service is justified in determining the minimal workload of the Fairfield post office may be effectively and efficiently replaced by a nonpersonnel unit. FD at 2.

The Postal Service estimates it will save \$39,443, annually, by closing the Fairfield post office. FD at 9. The majority of this is attributable to the postmaster salary and benefits. Petitioner correctly argues the Postal Service misrepresented the estimated savings by calculating in the salary of the Fairfield postmaster, who retired November, 1, 2009; instead of the current and presumably less generous salary of the current officer-in-charge (OIC). Petition at 6; FD at 2. The Postal Service's explanation for using the higher postmaster salary and benefits, two years after the postmaster's retirement, is unreasonable.

The Postal Service should be compelled to use current finances to compile its savings tally. The Postal Service states it used the postmaster numbers because "a

discontinuance study is forward-looking; that the Postal Service may have paid less in salary and benefits over past years does not mean that it could count on those savings annually in the future. If the Post Office is not discontinued, that slot would have been filled with a career employee, and the salary and benefits to be paid would be as shown for a postmaster.” Postal Service comments at 13. Such an argument is nonsensical. The Postal Service should use Fairfield post office’s current finances, i.e., the salary and any benefits (if any) paid to the OIC. Any and all Fairfield savings attributable to the retired postmaster have already been received, and the proper time for them to be calculated into the savings was during the FY in which the one-time savings were received. It is inappropriate to attribute savings regarding a departed postmaster, *ad infinitum* simply because the mere option to fill the vacancy exists. If the Postal Service is committed to continue to provide such an explanation, it must also be held to present the other, clearly functional and less costly options it has chosen to use in the interim (such as using an OIC). More importantly, if the Postal Service wants its argument to be taken seriously, that *had* the Fairfield post office remained open then another postmaster would have been assigned, it must prepare itself for the counter-argument that the Postal Service’s failure to assign a new postmaster is direct evidence of its decision to close the Fairfield post office prior to the commencement of a discontinuance review. Such a decision would be an egregious violation of Title 39.

The Public Representative finds that the Postal Service did, albeit incorrectly, consider the economic savings of the Fairfield closure, and strongly urges the Commission to hold the Postal Service to task by requiring it provide current accurate financial data, supported by the record, to calculate the economic savings associated with any post office closing. Permitting the Postal Service to use out-of-date costs or unsupported “forward-looking” costs is misleading, imprecise, and constitutes statutory grounds for a remand. 39 U.S.C. § 404. In this case, the Postal Service’s miscalculation is disconcerting but does not change the fact that economic savings can be attributed to the Fairfield post office closure. So long as the OIC’s salary and related

benefits are greater than \$4,836 (the cost of replacement services), economic savings from the closure of the Fairfield post office will still be realized.

For the reasons stated above, the Public Representative concludes the decision of the Postal Service to close the Fairfield post office should be affirmed.

Respectfully Submitted,

/s/ Tracy N. Ferguson

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